



## Chapter 1: Introduction

## Strategic Plan Assumptions

This Tourism and Recreation Strategic Plan was developed using the following assumptions, which provided context to the discussions:

- Natural, cultural, and historic resources must be protected and maintained in order for tourism to be sustainable long-term.
- State, federal, and tribal land management agencies are essential partners in tourism success.
- Montana residents understand that nonresident travelers help their economy (with some tradeoffs, such as sharing their restaurants, highways, parks, ski areas, and public lands with visitors).
- Montanans generally support increased tourism, with some limits and controls.
- Tourism and recreation-oriented facilities and experiences improve the quality of life for Montanans.
- Tourism facilities and services in Montana are significantly under-utilized most of the year (with the exception of peak season).
- Highly targeted and effective marketing efforts are needed to counter increasing competition from national and global tourism destinations.
- Targeting “high value - low impact” travelers is desirable (see definition below).
- Good data and information, available in a timely and useable manner, is essential for strategic tourism industry decision-making.



## Definitions

**Traveler:** Data reported in this Strategic Plan are consistent with the Tourism Industry Association (TIA) and University of Montana Institute for Tourism & Recreation Research (ITRR) definitions of a traveler, which is someone who travels more than 50 miles from home one-way, or spends one or more nights away from home, whether a resident or nonresident. Nonresident travelers are defined by ITRR as those who enter Montana by private vehicle or commercial air carrier, and whose primary residence is not Montana.

**Recreation:** In the context of this Strategic Plan, recreation refers to active leisure activities in which Montanans and nonresident visitors participate while they are travelers.

**Tourism Industry:** The term “tourism industry” refers to all private, public, nonprofit, and tribal organizations involved in tourism and recreation in Montana, including local, state, federal, and tribal agencies.

**High-Value, Low-Impact Visitor:** A visitor who contributes to Montana’s economic and social prosperity while respecting and appreciating Montana’s authentic natural and cultural assets.

**Montana Tourism Seasons:** This Strategic Plan uses seasonal designations consistent with those used by ITRR and the Montana Department of Revenue (DOR), which are based on calendar year quarters, as follows:

**Peak Season:** 3<sup>rd</sup> quarter (July-September).

Note that, in reality, peak tourist season also includes June, as defined by statewide hotel occupancy rates of 76% to 85% from June through September, according to Smith Travel Research (2007).

**Off-Peak Seasons:** 1<sup>st</sup> quarter (January-March), 2<sup>nd</sup> quarter (April-June), 4<sup>th</sup> quarter (October-December).

Note that the statewide hotel occupancy rate is about 39% in December and January, 46%-52% in February, March, April and November, and about 60% in May and October, according to Smith Travel Research.

## Strategic Plan Purpose and Process

### Strategic Plan Specifies Actions for Sustainable Tourism

This Tourism and Recreation Strategic Plan provides the road map to strategic and sustainable tourism development in Montana from 2008 to 2012, and goes well beyond tourism promotion by addressing resource management, workforce development, affordable housing, transportation, and tourism-related community enhancement issues. The Strategic Plan:

- ◆ Serves as a blueprint for a strategic, integrated approach to tourism and recreation development and marketing in Montana.
- ◆ Confirms priorities to focus resources.
- ◆ Balances Montana's tourism promotion efforts, products, and partnerships.
- ◆ Assigns responsibilities for implementation.
- ◆ Identifies funding sources to pay for actions.
- ◆ Measures results and return on investment.

### Nonresident Travelers Bring \$3 Billion Annually to Montana

Nonresident traveler spending contributes nearly \$3 billion to Montana's economy, of which \$300+ million is lodging sales that generates more than \$12 million in lodging facility use taxes (4%) and more than \$9 million in select sales accommodations taxes (3%). Total nonresident tourism expenditures doubled from 1995 to 2005 (\$1.36 billion to \$2.76 billion), and the industry continues to grow at a healthy pace. These revenues support facilities and services that improve the quality of life in Montana.

### Tourism Supports Montana's Other Economic Development Efforts

In most communities, 75% of the businesses depend on wealth attracted from outside the community by the 25% of businesses with national and global markets – including tourism businesses. Tourism is an essential component of Montana's economy: tourism attracts new revenues and business investment by promoting a positive image of the state, showcasing its quality of life and people, and generating increased visitor spending. Tourism benefits Montana communities, and it also provides a means for social exchanges between Montanans and visitors from around the world.

### Tourism Seasonality Results in 4.6 Million *Vacant* Room Nights

Nearly half of all lodging sales in Montana occur in the third quarter (July-September), and two-thirds occur in the second and third quarters combined (see figure at right). Therefore, most Montana hotels and other tourism facilities are underutilized much of the year. There were more than 4.6 million vacant hotel room nights in 2006, particularly in November through April, based on a statewide year-round hotel occupancy rate of 59.5% (the national average was 64%).<sup>1</sup> If filled, those vacant hotel rooms would have generated \$309 million in revenue, and \$21.7 million in lodging taxes, based on the 2006 average room rate in Montana of \$67.73 per night (the national average was \$95.64). The underutilization creates instability in tourism industry revenues and jobs, and affects other sectors of Montana's economy.

**In 2006, there were more than 4.6 million vacant hotel room nights in Montana. If filled, those rooms would have generated \$309 million in revenue, and \$21.7 million in lodging taxes. Growth in off-peak season tourism would help address underutilization.**

<sup>1</sup> Smith Travel Report, 2006



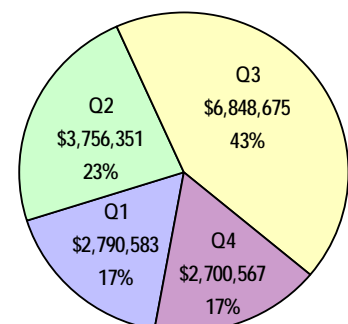
#### 2006 Montana Tourism Fast Facts

Nonresident visitors: 10.4 million  
Expenditures: \$2.9 billion  
Seasonality: 70% visit Apr-Sept  
30% visit Oct-Mar  
Reason for Trip: 34% Vacation  
27% Passing Through  
19% Visiting Friends & Family  
13% Business, 8% Shopping  
Origin: 12% WA, 10% ID, 8% WY,  
7% CA, 5% ND/UT, 4% CO/MN,  
8% Canada, 2% Overseas  
Travel Party Composition:  
32% couples  
28% family/extended family  
27% traveling alone  
Activities While in Montana:  
45% Driving for Pleasure  
32% Wildlife Watching  
26% Recreational Shopping:  
23% Day Hiking  
20% Picnicking  
19% Visiting Historic Sites  
14% ea. L&C Sites, Museums:  
11% Fishing/Nature Study  
10% Native American Sites  
10% Camping (developed)  
8% Festivals or Events  
6% Gambling  
5% ea. Dnhll Skiing, Birding,  
Rafting, Horse Riding  
4% ea. Golf, Art Exhibits  
3% ea. Biking, ATVing,  
Backpacking, Paddling,  
Hunting, Sports Event

Source: ITRR

#### 2006 Lodging Facility Use Tax Collections by Quarter

Source: MT Dept. of Revenue





## More than 1,200 Montanans Participated in the Planning Process

The development of this Strategic Plan began in October 2006, and was completed in November 2007. The process included extensive outreach and input from tourism and recreation businesses, public agencies, tribes, arts and historical organizations, farmers and ranchers, conservation groups, motorized recreation enthusiasts, sportsmen, and other interested members of the public. Through public meetings, interviews, a statewide survey, and the Governor's Conference on Tourism, more than 1,200 Montana citizens, businesses, and organization representatives provided input. The process included four phases:

1. Information-gathering (October 2006 – March 2007)
2. Refinement of strategies and actions (February – April 2007)
3. Draft Strategic Plan for public and stakeholder comment (May – Oct. 2007)
4. Completion of final Strategic Plan document (Oct. – December 2007)

## Strategic Plan Addresses all Facets of Tourism and Recreation in Montana, including Links to Economic and Community Development, Resource Management, Conservation, and Public Policy

This Strategic Plan is designed to be used by all organizations in Montana's tourism and recreation industry – private, public, tribal, and nonprofit. In other words, it is not "Travel Montana's Plan", nor is it a plan just for regional tourism organizations, convention and visitor bureaus, lodging properties, ski resorts, etc. Rather, it is a plan that integrates tourism and recreation into Montana's economic and community development, resource management, and public policy efforts. It offers a holistic view of tourism and recreation planning and implementation, addressing not only promotion, but also the product itself, and the partnerships required for successful implementation. The figure below summarizes the areas of responsibility for Montana's tourism and recreation partners. More detail is provided on the next page.

### "Economic Development" is happening when:

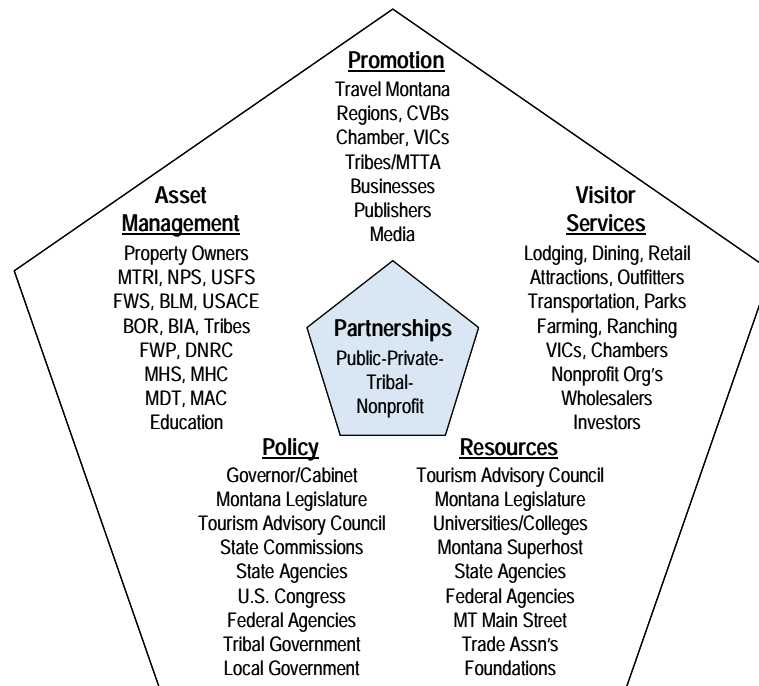
- ◆ The standard of living is increasing.
- ◆ A "real" increase in the level of average household income is occurring.
- ◆ The local tax base is meeting the escalating cost of government services.
- ◆ Business and industry are investing more in the community than they are "costing" the community.

As with all forms of economic development, the process of tourism development is facilitated through:

- ◆ Development of a skilled workforce.
- ◆ Investment in physical infrastructure.
- ◆ Creation of new jobs at higher wages.
- ◆ Improvement of the business environment.
- ◆ Availability of marketable land and buildings.
- ◆ Protection of the environment.
- ◆ Improvement of the quality of life.
- ◆ Effective marketing and promotion.

Source: Dr. David Kolzow,  
*Strategic Planning for Economic Development*

### Tourism Strategic Plan Partners and Their Areas of Responsibility





## Tourism Partners and Their Roles

### Successful Tourism Requires Strong Partnerships

Tourism is a diverse industry that involves lodging and dining facilities, retail stores, transportation services, outfitters and guides, entertainment, public lands and wildlife, historic and cultural attractions, agriculture, ranching, wholesale suppliers, insurance and financial services, workforce and education services, media and publishing, architecture and construction, etc. In many Montana communities, some of these services would not exist without the revenue that tourism provides to support them. In order to maintain a successful tourism industry, these partners must understand each other's roles, and work together toward a common vision.

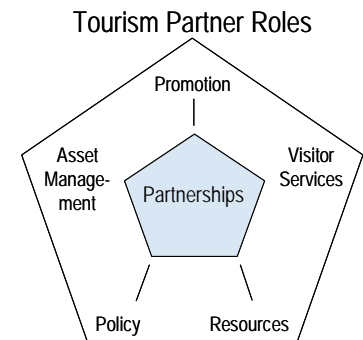
The Partners figure on page 4 lists the key partners involved in the Tourism and Recreation Strategic Plan implementation, and how their roles relate to each other:

- ◆ Policy-makers provide direction and authorization for activities to happen.
- ◆ Asset managers build, maintain, and/or protect Montana's natural, cultural, tribal, and historic assets.
- ◆ Visitor services provide products and services needed by visitors to enjoy a vacation experience.
- ◆ Funding entities provide the resources to implement strategic actions.
- ◆ And finally, promotion partners communicate tourism and recreation opportunities to targeted high value, low impact visitor niche markets.

The Montana partners that fulfill these roles are shown in the figure on page 4, and listed below. As the figure shows, the focal point of success is partnerships to achieve the plan's goals. Each of the partners plays a critical role in managing and enhancing tourism and recreation in Montana:

- ◆ **Tourism businesses and industry associations:** private businesses and corporations, Travel Industry Assn. of Montana (TIAM), Montana Ski Areas Assn. (MSAA), Montana Innkeepers Assn. (MIKA), Montana Outfitters & Guides Assn. (MOGA), Fishing Outfitters Assn. of Montana (FOAM), Montana Economic Developers Assn. (MEDA), Montana Dude Rancher's Assn. (MTDRA), etc.
- ◆ **Elected and appointed officials:** state, city, county, tribal, federal, Tourism Advisory Council (TAC), state commissions, etc.
- ◆ **State agencies:** Department of Commerce Promotion Division ("Travel Montana"), Fish, Wildlife & Parks (FWP), Department of Transportation (MDT), Department of Natural Resources & Conservation (DNRC), Department of Revenue (DOR), Montana Historical Society (MHS), Montana Arts Council (MAC), Montana Heritage Commission (MHC), and universities and colleges.
- ◆ **Tourism regions ("countries") and convention and visitor bureaus (CVBs)**
- ◆ **Tribal organizations:** Montana Tribal Tourism Alliance (MTTA), Montana Indian Business Alliance (MIBA), and Montana Tribes.
- ◆ **Federal agencies:** National Park Service (NPS), U.S. Forest Service (USFS), U.S. Fish & Wildlife Service (FWS), Bureau of Land Management (BLM), U.S. Army Corps of Engineers (USACE), Bureau of Reclamation (BOR).
- ◆ **Montana Tourism & Recreation Initiative (MTRI):** a chartered organization of state and federal agency staff and directors who work collaboratively on tourism and recreation initiatives involving public lands and waters.
- ◆ **State and local nonprofit organizations:** conservation, sportsmen, motorized and nonmotorized recreation, arts, historical societies, economic development.

Tourism and recreation grows successfully if strong public-private-tribal partnerships are created and cultivated.



### Tourism Strategic Partners

Each of the partners plays an essential role in managing and enhancing tourism and recreation in Montana.

## Travel Montana Provides Leadership



*"Montana's state tourism department does a good job but they need to continue to work with our legislature to ensure receipt of all possible funding to continue effectively market this state."*

- Survey Respondent

The lead agency for tourism promotion and development in Montana is the Department of Commerce Promotion Division, or "Travel Montana." Their activities include development of the state's marketing brand and image; implementation of the Tourism Marketing Plan; management of tourism web sites, publications, and databases; analysis and dissemination of market research and tourism leads; communication and coordination with the tourism industry partners and elected officials; administration of tourism-related grant programs; recruitment of the film industry; and tracking of results and return on investment of marketing funds. Specific programs are listed below, and funding allocations are shown in the figure below.

**Consumer Marketing:** print/web/TV advertising, branding, target markets, MT Kids, 3Parks, Sled the Rockies, ski campaign, Invite-A-Friend, research, co-ops, direct mail, eNewsletters, and partnerships for enhanced print, TV, web and event opportunities.

**Visitor Information Centers (VICs):** coordination/oversight of nine gateway VICs operated through state-community partnerships to provide information to visitors.

**Publicity/Photography:** publicity campaigns, writer familiarization trips, co-ops with regions/CVBs, image library, electronic press room, in-state publicity, tourism education/outreach, Intranet content, e-newsletters, fire/crisis communication, fact sheets.

**Electronic Services:** consumer web sites, Oracle 'tourism' database, Siebel support/VISITS, Real Simple Syndication (RSS), photo and story/testimonial sharing, eMarketing services, targeted linking, MT VICs technical support, partnerships with regions/CVBs/chambers on web features.

**General Administration Industry Services:** Tourism Advisory Council (TAC) support, disbursement/oversight of lodging tax funds, project coordination, interpretation/explanation of regulations/policies, communication, staff management/administration.

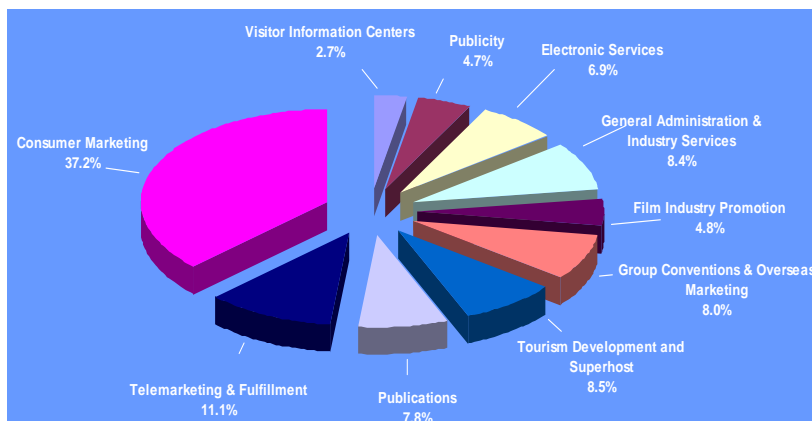
**Montana Film Office (Film Industry Promotion):** ad campaigns, scouting, industry liaison, Big Sky on the Big Screen film production incentive program, trade show/film festival marketing, Montana Production Guide, web site, photo/info files, film brochure.

**Tourism Development/Education & Superhost:** TIIP/SEGP grants, annual Governor's Conference on Tourism & Recreation, workshops, community assessments, Montana Superhost, strategic planning, cultural/heritage/themed-trail tourism development support, federal/state agency liaison, Montana Tourism & Recreation Initiative (MTRI) and support for the Montana Tribal Tourism Alliance (MTTA).

**Group, Convention, & Overseas Marketing:** Rocky Mountain International European program/trade offices, MT Pacific Rim trade offices, travel trade shows, workshops, lead generation, direct mail, familiarization tours, image brochure/tour shells, group travel planning guide, meeting planners guide, web sites, Invite-A-Convention, Trade Show Assistance Program, ad campaigns.

**Publications:** Vacation Planner, Winter Guide, MT Highway Map, Kid's brochure, Calendar of Events, Montana Indian Country brochure, partnerships with tourism regions and state/federal agencies.

**Telemarketing & Fulfillment:** toll free telephone numbers, contracted contact center, mailroom, promotion material inventory/distribution, operational support.



## Tourism Advisory Council (TAC) Provides Policy Guidance

Tourism industry advice to the Governor and Travel Montana is provided by the Montana Tourism Advisory Council (TAC), a council of business, tribal, and nonprofit sector representatives appointed by the Governor from around the state. The TAC also oversees the disbursement of lodging tax funds to tourism regions and convention and visitor bureaus (CVBs), and to the University of Montana Institute for Tourism and Recreation Research (ITRR). The Council has three meetings annually with Travel Montana and region/CVB staff, and other tourism partner representatives. The statutory role of the TAC is listed in the sidebar at right.

## Tourism Regions Coordinate Multi-County Marketing Efforts

Geographically, Montana is divided into six regions for the purposes of tourism marketing efforts (see map below). Each region has a nonprofit tourism marketing organization headed by an executive director, and receives funds from state lodging tax collections to conduct regional marketing activities. Sixty percent of tax collections are generated in the eleven cities with CVBs. The regions provide support for tourism marketing efforts in rural communities and counties, as well as in the urban areas.

## Convention and Visitor Bureaus Market Cities and Resort Areas

Montana communities or resort areas that generate a significant level of lodging tax can apply for designation as a CVB, allowing them to access state lodging tax funds for local marketing efforts. CVBs also typically have a local funding base from tourism-related businesses, through memberships, a local resort tax, and/or Tourism Business Improvement District (TBID) assessment. CVB efforts are focused on sales, group and event bookings, media relations, and local tourism product development/policy issues.

Examples of Tourism Region and CVB marketing activities include the following:

Marketing: web sites, advertising, publications, public/media relations, trade shows, cooperative marketing, billboards

Groups/Meetings: familiarization tours, convention bids/recruitment, trade shows

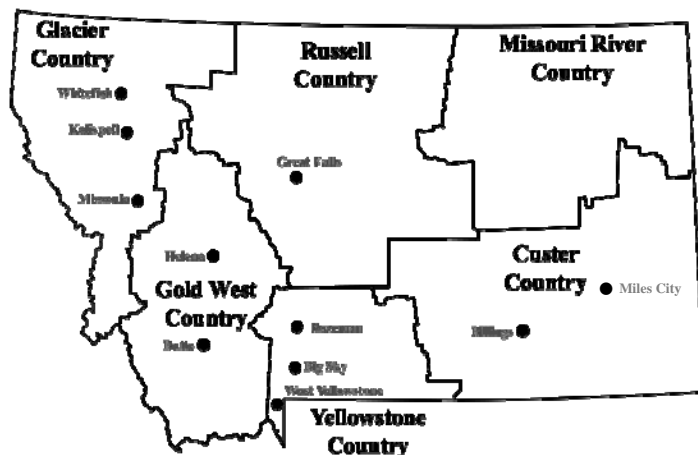
Partnerships: cooperative marketing with downtown/economic development groups

Customer Service: visitor centers, toll free numbers, hospitality training

Education/Outreach: public awareness regarding tourism activities/benefits

Planning: preservation of amenities, addressing challenges and transportation issues

Support Services: tech support for web pages, information tracking, convention planning, crisis management



### Montana Tourism Advisory Council

(Source: MT Code Annotated)

#### 2-15-1816. Tourism advisory council.

(1) There is created a tourism advisory council.

(2) The council is composed of not less than 12 members appointed by the governor from Montana's private sector travel industry and includes at least one member from Indian tribal governments, with representation from each tourism region initially established by executive order of the governor and as may be modified by the council under subsection (5).

(3) Members of the council shall serve staggered 3-year terms, subject to replacement at the discretion of the governor. The governor shall designate four of the initial members to serve 1-year terms and four of the initial members to serve 2-year terms.

(4) The council shall:

(a) oversee distribution of funds to regional nonprofit tourism corporations for tourism promotion and to nonprofit convention and visitors bureaus in accordance with Title 15, chapter 65, part 1, and this section;

(b) advise the department of commerce relative to tourism promotion;

(c) advise the governor on significant matters relative to Montana's travel industry;

(d) prescribe allowable administrative expenses for which accommodation tax proceeds may be used by regional nonprofit tourism corporations and nonprofit convention and visitors bureaus;

(e) direct the university system regarding Montana travel research;

(f) approve all travel research programs prior to their being undertaken; and

(g) encourage regional nonprofit tourism corporations to promote tourist activities on Indian reservations in their regions.

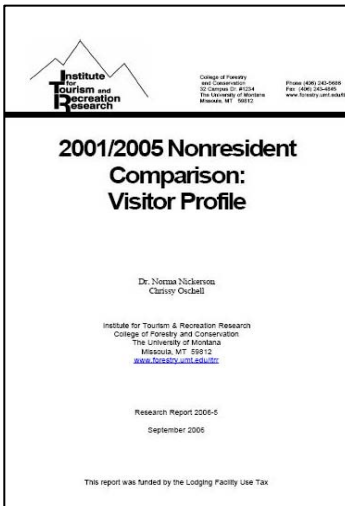
(5) The council may modify the tourism regions established by executive order of the governor.

(6) The department of commerce shall adopt such rules as may be necessary to implement and administer Title 15, chapter 65, part 1, and this section.



## Montana Tourism & Recreation Initiative (MTRI) and Montana Tribal Tourism Alliance (MTTA) Represent State, Federal, Tribal Partners

The MTRI is an inter-agency group of state and federal agencies, including the TAC, which coordinates projects and discusses tourism and recreation-related issues that are multi-jurisdictional in nature. MTRI has two levels: the MTRI Directors Group, consisting of the Governor, state and federal agency directors, and a TAC member; and the MTRI Working Group, consisting of agency staff with direct tourism and recreation program responsibility related to MTRI activities. The MTTA is a coalition of tourism and economic development representatives from Montana's Indian tribes and tribal colleges ([www.bigskytribes.com](http://www.bigskytribes.com)). MTTA works to support tourism development and promotion on Montana Indian reservations, and to coordinate efforts with state and regional tourism partners.



## Institute for Tourism & Recreation Research (ITRR) Provides Market Intelligence to Inform Tourism and Recreation Decisions

A portion of state lodging tax collections (2.5% of lodging facility use tax funds available for distribution) are allocated to the Montana university system for tourism and recreation-related research. This dedicated fund provides a stable and ongoing program to generate data and analyses that are critical to Montana tourism and recreation industry partners, and to policy-makers, to make good decisions. The research includes information about nonresident visitors, the economic impact of tourism, resident attitudes and opinions about tourism, economic impact of specific events, etc. Research reports are posted online ([www.itrr.umt.edu](http://www.itrr.umt.edu)), and presented at state and local meetings and conferences statewide.

## Travel Industry Association of Montana (TIAM) Provides Advocacy

TIAM is an industry trade association made up of businesses, attractions, and associations related to tourism and recreation. Many members of TIAM also are members of specific sector associations such as the innkeepers, RV parks, campgrounds, restaurants, retailers, outfitters, ski areas, dude ranchers, etc. TIAM provides a forum for all sectors of the industry to reach consensus on policy issues and provide advocacy for the industry.

## Nonprofit Organizations Support Key Projects and Issues

There are hundreds of nonprofit organizations, societies, clubs, and councils statewide that are involved in tourism and recreation activities. They range from conservation organizations to sportsmen's clubs, trail users to historical societies, arts councils to private pilots associations. All of these organizations and their members are involved in aspects of tourism and recreation, and serve as important partners for tourism marketing and asset management initiatives.





## Funding for Montana Tourism & Recreation

### Montana Lodging Tax Provides \$16+ Million for Tourism and Recreation, Supplemented by State, Federal, and Private Funds

Tourism and recreation activities in Montana received nearly \$17 million in fiscal year 2007 from a 4% tax collected on lodging facility sales statewide (hotels, B&Bs, vacation rentals, campgrounds, etc.).<sup>2</sup> Of that, 58% (\$9.8 million) was used for state tourism marketing efforts, including about \$3.3 million for advertising. Another 22% (\$3.7 million) was used for region and CVB tourism marketing efforts. The lodging facility use tax funds leverage millions more in appropriated funds and other revenue provided to state/federal agencies.

About 8% of the lodging tax funds were spent on historic preservation, community arts and events, facilities, and wildlife conservation/education programs: \$1.08 million to Montana Historical Society and Heritage Preservation Commission, and \$280,000 to community tourism infrastructure, special events, and tribal grant programs. Montana State Parks received 6% of the funds (\$1.04 million), and another \$400,602 was provided to the University of Montana Institute for Tourism & Recreation Research. Finally, a portion of the funds support the Montana International Trade Program, and administrative functions of the Department of Revenue, which collects the taxes. Additional funding for Fish, Wildlife & Parks and the Historical Society are provided by general fund revenues, grants, entrance fees, licenses, tags, and vehicle registrations. Additionally, nonprofit organizations, businesses, and land owners invest millions annually on tourism and recreation facilities and services.

Statewide lodging tax collections rose by \$4.8 million (40%) from fiscal year (FY) 2002 to FY 2007 (see table below). However, in 2007 Montana ranked 31<sup>st</sup> among state tourism offices in total spending on tourism marketing (including private sources for co-op advertising).<sup>3</sup> The national average spending of state tourism offices is \$15.3 million.



LODGING FACILITY USE TAX	FY 07 Actual	FY 02 Actual
<b>Total Lodging Tax Revenue</b> <i>(allocations below)</i>	\$16,810,711	\$12,031,904
<b>Department of Commerce - Travel Montana</b> <i>(tourism and film location promotion)</i>	\$9,764,682	\$6,518,779
<b>Tourism Regions/CVBs Marketing</b>	\$3,705,415	\$2,654,913
<b>MT Fish, Wildlife and Parks</b> <i>(operations and maintenance of state parks)</i>	\$1,041,564	\$738,086
<b>Montana Historical Society</b>	\$681,803	\$629,513
<b>Community Grants (TIIP, SEGP)</b>	\$280,000	\$330,000
<b>University of Montana - ITRR</b> <i>(tourism and recreation research)</i>	\$400,602	\$283,879
<b>MT Heritage Preservat'n &amp; Dev't Commission</b> <i>(Virginia and Nevada City)</i>	\$400,000	\$400,000
<b>MT Department of Revenue</b> <i>(tax collection costs, reimbursement of tax paid by state employees)</i>	\$386,646	\$276,734
<b>Montana Trade Program (DOC)</b>	\$150,000	\$200,000

Lodging tax collections rose nearly 40% from 2002 to 2007.

<sup>2</sup> Montana's total lodging tax is 7%: 4% is distributed as described above, and 3% goes to the State General Fund.

<sup>3</sup> Tourism Industry Assn. (TIA) 2006-07 Survey of U.S. State & Territory Tourism Office Budgets (50 states reporting).

By leveraging public and private dollars in coordinated and targeted efforts, Montana can extend its reach and effectiveness in marketing.

#### Tourism Infrastructure Investment Program (TIIP)

**1995 – 2007:**  
\$2.75 million invested  
63 projects  
42 Montana communities

##### Summary by Category:

- ◆ Historic Preservation  
\$1.45 million (53% of total)
- ◆ Event & Sports Facilities  
\$505,724 (18% of total)
- ◆ Arts Facilities  
\$471,037 (17% of total)
- ◆ Wildlife Education/Conservation  
\$329,568 (12% of total)

##### Summary by Region:

Russell	\$841,183	(31%)
Missouri R.	\$471,503	(17%)
Glacier	\$459,762	(17%)
Custer	\$397,757	(14%)
Gold West	\$346,007	(13%)
Yellowstone	\$238,026	(9%)

#### Special Event Grant Program (SEGP)

**2002 - 2007**  
\$351,000 Invested  
52 Grants  
35 Montana communities

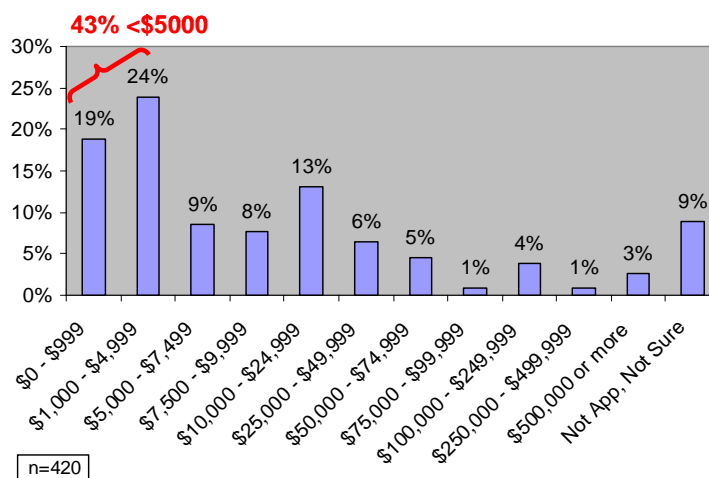
##### Summary by Region:

Glacier	\$85,210	(24%)
Gold West	\$75,555	(22%)
Yellowstone	\$65,925	(19%)
Russell	\$52,170	(15%)
Missouri River	\$36,740	(10%)
Custer	\$35,400	(10%)

## Businesses and Attractions Spend \$35+ Million to Attract Visitors

The combined budgets of Travel Montana, tourism regions, and CVBs total about \$13.7 million annually spent on tourism marketing and development for Montana. In addition, private businesses, corporations, and attractions spend more than \$35 million to attract nonresident visitors to Montana, according to a statewide survey of tourism industry stakeholders.<sup>4</sup> The chart below shows the ranges of spending by the survey respondents. By leveraging the public and private dollars in targeted partnership efforts, Montana can extend its reach and effectiveness in tourism marketing.

Annual Tourism Marketing Budgets of Survey Respondents, 2007



## Lodging Taxes Provide Funding for Historic Preservation, Arts, Wildlife Conservation/Education, Infrastructure, and Sports Events

Two programs administered by the Montana Department of Commerce have invested more than \$3 million in tourism development since 1995 through infrastructure improvement for historic preservation, arts, sports facility construction/renovation, wildlife education/conservation facilities, and event/festival assistance.

The Tourism Infrastructure Investment Program (TIIP) grants are designed to invest lodging tax funds into 'bricks and mortar' projects that strengthen Montana's appeal as a visitor destination, and encourage current visitors to extend their stays. Historic preservation projects have received the most funding, followed by events, sports, and arts facilities.

The other tourism grant funding opportunity is the Special Event Grant Program (SEGP). In its five years of operation, \$351,000 of lodging tax funds were invested via 52 grants to 35 communities, supporting events related to music, literary gatherings, artisans, culinary specialties, western/cowboy culture, etc. The SEGP program has provided \$50,000 to \$80,000 in grants to communities annually.

The next chapter summarizes Montana tourism and recreation assets and trends, including growth in tourism both nationally and in Montana.

<sup>4</sup> Montana Tourism Industry Stakeholder Online Survey, March 2007